

Message Text

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LIMDIS

E.O. 11652: GDS

TAGS: MARR, PFOR, GR, US

SUBJECT: US-GREEK SOFA NEGOTIATIONS

REF: ATHENS 8906

1. SUMMARY: SOFA SUBGROUP RE-EXAMINED PROVISIONS OF DRAFT
BILATERAL SOFA AGREEMENT NOT PREVIOUSLY AGREED. ISSUES
RESOLVED INCLUDE (A) MILITARY TOURISTS, (B) ROLE OF GOG IN
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DETERMINING "REASONABLE QUANTITIES" OF IMPORTS BY US FORCES,
AND (C) TREATMENT OF CLAIMS. SIZE OF US CIVILIAN COMPONENT
TENTATIVELY RPT TENTATIVELY RESOLVED AT 22.5 PERCENT OF
TOTAL CIVILIAN POSITIONS. APPLICABILITY OF CIRCULATION

TAX TO POV'S AND RATE OF EXCHANGE ISSUES COULD NOT RPT NOT BE RESOLVED. END SUMMARY.

2. THE SOFA SUBGROUP, COMPOSED OF ECONOMIDES, MACHERITAS AND LCOL ANDRIKOS ON GREEK SIDE, AND COL. GRUNAWALT AND-PUGH ON US SIDE, MET IN WASHINGTON 17-20 DECEMBER AND RE-EXAMINED THE SIX ISSUES REMAINING TO BE RESOLVED; VIZ, MILITARY TOURISTS; SIZE OF CIVILIAN COMPONENT; IMPORTATION OF SUPPLIES; CLAIMS; TAXES ON POV'S; AND RATE OF EXCHANGE. THE GREEK SIDE DISPLAYED SOME FLEXIBILITY ON MOST ISSUES, BUT LACKED AUTHORITY TO DEVIATE FROM PRIOR GOG POSITION ON

THE APPLICABILITY OF THE CIRCULATION TAX TO POV'S OF US FORCES PERSONNEL AND THE RATE OF EXCHANGE APPLICABLE TO OFFICIAL MONETARY TRANSACTIONS. THE TWO SIDES UNDERTOOK TO CONTINUE TO WORK TOWARD COMPLETE RESOLUTION OF ALL OUTSTANDING ISSUES PRIOR TO COMMENCEMENT OF ROUND THREE IN ATHENS ON 26 JANUARY.

3. ARTICLE I (DEFINITIONS)

--- A. MILITARY TOURISTS. AN AGREED MINUTE WAS AGREED AS FOLLOWS:

QUOTE. AGREED MINUTE RE ARTICLE I, PARAGRAPH 1: ACTIVE DUTY MILITARY PERSONNEL OF THE ARMED FORCES OF THE UNITED STATES WHO ARE TEMPORARILY IN GREECE ON MILITARY NON-DUTY ORDERS, AND THEIR DEPENDENTS WHO ACCOMPANY THEM, SHALL, WITH THE CONCURRENCE OF THE GOVERNMENT OF GREECE IN SPECIFIC CASES, BE ACCORDED THE STATUS OF A MEMBER OF THE UNITED STATES FORCES IN GREECE, AND A DEPENDENT OF SUCH A MEMBER, RESPECTIVELY, FOR PURPOSES OF ARTICLE VII OF THE NATO STATUS OF FORCES AGREEMENT AND ARTICLES II AND III OF THIS AGREEMENT, DURING SUCH VISIT. UNQUOTE.

---(COMMENT: THIS FORMULATION DIFFERS FROM PRIOR US DRAFT IN SUBSTITUTION OF "NON-DUTY" FOR "LEAVE" ORDERS. THAT CONFIDENTIAL

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CHANGE IS PURELY OPTICAL. SUBSTANTIVE CHANGE INVOLVES ADDITION OF PHRASE "WITH THE CONCURRENCE OF THE GOVERNMENT OF GREECE IN SPECIFIC CASES" WHICH IN EFFECT GIVES GOG CASE BY CASE VETO OVER EXTENSION OF CITED PROVISIONS TO MILITARY TOURISTS AND THEIR DEPENDENTS, BUT WHICH THE GOG HAS NEITHER THE INTENTION NOR APPARATUS TO INVOKE. END COMMENT.)

--- B. CIVILIAN COMPONENT. ART I, PARA 4 WAS TENTATIVELY AGREED AS FOLLOWS:

QUOTE. THE CIVILIAN COMPONENT SHALL NOT, WITHOUT THE EXPRESS CONSENT OF THE GOVERNMENT OF GREECE, EXCEED TWENTY-

TWO AND ONE HALF PERCENT OF THE TOTAL CIVILIAN POSITIONS IN THE CIVILIAN WORK FORCE EMPLOYED BY THOSE FORCES, WITH THE REMAINING CIVILIAN POSITIONS TO BE FILLED EXCLUSIVELY BY EMPLOYEES OF GREEK NATIONALITY. UNQUOTE.

---(COMMENT: BOTH SIDES UNDERTOOK TO PRESENT THIS COMPROMISE FORMULATION TO THEIR RESPECTIVE GOVERNMENTS. WE BELIEVE 22.5 PERCENT IS ACCEPTABLE, PROVIDED IT IS COUPLED WITH AN AGREED MINUTE DELAYING ITS APPLICATION FOR 18 MONTHS TO PERMIT PLANNED ATTRITION OF DUAL NATIONALS IN

CIVILIAN COMPONENT TO TAKE EFFECT. PARA 2C OF REFTTEL REFERS. END COMMENT.)

4. ARTICLE VI (IMPORTATION)

--- A. PARA 5 WAS REVISED TO DELETE "RESTRICTIONS" IN THE FIRST SENTENCE AND SUBSTITUTE "CONTROLS NOT CONTEMPLATED BY THIS AGREEMENT" THEREFORE. THE GREEK SIDE OBJECTED TO USE OF TERM "RESTRICTIONS" AS BEING OVERLY BROAD AND IN CONTRADICTION TO OTHER AGREED PROVISIONS IN DRAFT. THE CHANGE IS NOT SUBSTANTIVE.

--- B. PARA 6 WAS REVISED AND AGREED AS FOLLOWS:

QUOTE. IT IS THE EXPRESS OBJECTIVE AND PURPOSE OF THE TWO GOVERNMENTS THAT ARTICLES AND SERVICES SOLD OR PROVIDED AT THE COMMISSARIES AND MILITARY SERVICE EXCHANGES CONFIDENTIAL

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SHALL BE FOR THE EXCLUSIVE USE OF AUTHORIZED PERSONS. TO THAT END, THE APPROPRIATE GREEK AUTHORITIES AND UNITED STATES MILITARY AUTHORITIES SHALL CONSULT PERIODICALLY WITH REGARD TO THE DETERMINATION OF REASONABLE QUANTITIES OF TOBACCO, ALCOHOLIC BEVERAGES AND CONTROLLED ITEMS DEFINED IN THE TECHNICAL ARRANGEMENT FORESEEN IN PARAGRAPH 3 OF THIS ARTICLE, TO BE IMPORTED INTO GREECE. THE MILITARY AUTHORITIES OF THE UNITED STATES, IN COOPERATION WITH THE APPROPRIATE AUTHORITIES OF THE GREEK GOVERNMENT, WILL TAKE MEASURES NECESSARY TO PREVENT UNAUTHORIZED USE OF SUCH FACILITIES. SUCH MEASURES, INCLUDING THE PROHIBITION OF THE RESALE OF ARTICLES TO PERSONS NOT ENTITLED TO PURCHASE MERCHANDISE FROM SUCH FACILITIES AND PERIODIC ACCESS TO THE COMMISSARIES AND MILITARY SERVICE EXCHANGES BY GREEK CUSTOMS AUTHORITIES TO OBSERVE CONTROL PROCEDURES AND TO CONSULT WITH THE COMPETENT UNITED STATES AUTHORITIES, SHALL BE INCORPORATED INTO A TECHNICAL ARRANGEMENT TO BE CONCLUDED BETWEEN THE COMPETENT AUTHORITIES OF THE TWO GOVERNMENTS. UNQUOTE.

--- (COMMENT: THE CHANGES IN THIS TEXT ARE ESSENTIALLY COSMETIC AND COUPLED WITH THE AGREED MINUTE SET OUT BELOW,

STRENGTHEN GOG PERCEPTION OF HAVING A VOICE IN DETERMINING "REASONABLE QUANTITIES" OF SUPPLIES TO BE IMPORTED FOR COMMISSARY/EXCHANGE DISTRIBUTION. THE ACCEPTANCE BY THE GREEKS OF A CONSULTATIVE ARRANGEMENT CONSTITUTED A MAJOR CONCESSION IN THE GOG POSITION ON THIS ISSUE. END COMMENT.

--- C. AN AGREED MINUTE WAS AGREED AS FOLLOWS:

QUOTE. AGREED MINUTE TO ARTICLE VI, PARAGRAPH 6.

IT IS THE INTENTION OF THE TWO GOVERNMENTS TO MAKE EVERY EFFORT TO REACH A COMMON UNDERSTANDING REGARDING THE REASONABLENESS OF THE QUANTITIES OF SUCH ITEMS TO BE IMPORTED. UNQUOTE.

5. ARTICLE VII (POV'S).

THIS ARTICLE COULD NOT RPT NOT BE AGREED. THE GREEK SIDE EXHIBITED LITTLE FLEXIBILITY ON THIS ISSUE. THEY CONTINUE CONFIDENTIAL

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TO INSIST THAT US FORCES PERSONNEL PAY THE CIRCULATION TAX WHICH THE GOG "UNFORTUNATELY" CONSIDERS TO BE A TAX ON THE USE OF ROADS. ECONOMIDES AGAIN PROPOSED THAT A "CEILING" OF DOLS 250-300 BE ESTABLISHED ON THE AMOUNT WHICH COULD BE ASSESSED ON ANY ONE VEHICLE. THE US SIDE CONTINUED TO REJECT THAT AMOUNT AS UNREASONABLE, REITERATING PREVIOUS ARGUMENTS. BOTH SIDES AGREED THAT ANY FORMULATION WOULD HAVE TO AVOID SPECIFIC REFERENCE TO THE CIRCULATION TAX AND WOULD HAVE TO CONTAIN A MUTUALLY ACCEPTABLE MAXIMUM DOLLAR FIGURE.

--- (COMMENT: WE MAY BE FORCED TO ACCEPT A FIGURE AS HIGH AS DOLS 300, INCLUSIVE OF REGISTRATION AND LICENSE FEES, BUT INTEND TO CONTINUE TO PRESS FOR A SUBSTANTIALLY LOWER AMOUNT. END COMMENT.)

6. ARTICLE VIII (FISCAL)

THIS ARTICLE COULD NOT RPT NOT BE AGREED. THE GREEK SIDE AGAIN REJECTED THE US PROPOSAL THAT THE CENTRAL BANK'S "OEDIAN" RATE OF EXCHANGE BE APPLIED TO THE BUYING AND SELLING OF DRACHMAE BY THE US FORCES. THEY ALSO TABLED SEVERAL DRAFT PROVISIONS FORMULATED BY CENTRAL BANK REPRESENTATIVES WHICH THEY ACKNOWLEDGED TO BE CLEARLY UNACCEPTABLE TO THE US (I.E., PAYMENT OF US FORCES SALARIES WITH DRACHMAE AND CENTRAL BANK JURISDICTION AND CONTROL OVER US MILITARY BANKS). THE GREEK SIDE ALSO REQUESTED SPECIFIC INFORMATION AS TO EXCHANGE RATES PREVAILING ELSEWHERE IN NATO, WHICH THE US SIDE UNDERTOOK TO PROVIDE. THE US SIDE PROPOSED THE FOLLOWING ADDITION TO PREVIOUSLY AGREED MINUTE RE ARTICLE VIII, PARA 6, FOR USE IN LIEU OF

NEW CENTRAL BANK POSITIONS:

QUOTE. IT IS FURTHER UNDERSTOOD THAT PERSONS AUTHORIZED TO USE THE MILITARY BANKING FACILITIES ARE NOT ENTITLED TO EXPORT FUNDS THROUGH SUCH FACILITIES IN EXCESS OF THAT WHICH THEY RECEIVE AS SALARY AND EMOLUMENTS PAID TO THEM AS MEMBERS OF THE UNITED STATES FORCES OR OF THE CIVILIAN COMPONENT OR WHICH THEY MAY HAVE IMPORTED INTO GREECE

EITHER AS CURRENCY AND INSTRUMENTS EXPRESSED IN CURRENCY
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OR AS TANGIBLE MOVABLE PROPERTY WHICH HAS SUBSEQUENTLY BEEN CONVERTED INTO CURRENCY, OR INSTRUMENTS EXPRESSED AS CURRENCY, IN ACCORDANCE WITH ARTICLE VI, PARAGRAPH 3 OF THIS AGREEMENT. UNQUOTE.

--- (COMMENT: THE GREEK SIDE STATED THAT ABOVE FORMULATION WOULD BE ACCEPTABLE ALTERNATIVE TO CENTRAL BANK POSITION IF IT WERE COUPLED WITH A RESTRICTION ON CONVERSION OF DRACHMAE TO DOLLARS BY THE MILITARY BANK TO CASES INVOLVING PERSONNEL IN RECEIPT OF PCS ORDERS. GREEK SIDE ADDED THAT IF US COULD ACCEPT SUCH A PROVISION IT WOULD LEAVE ONLY RATE OF EXCHANGE FORMULA YET TO BE DETERMINED. THIS PROPOSAL APPARENTLY COMPORTS WITH EXISTING PRACTICE AND CAN PROBABLY BE ACCEPTED. HOWEVER, WE INTEND TO CONTINUE TO INSIST ON "MEDIAN" RATE OF EXCHANGE UNLESS PRACTICE ELSEWHERE IN NATO FAILS TO SUPPORT OUR POSITION ON THIS ISSUE. END COMMENT.)

7. ARTICLE X (CLAIMS)

THE FOLLOWING TEXT WAS AGREED:

QUOTE. ARTICLE X: THE PROVISIONS OF ARTICLE VIII OF THE NATO STATUS OF FORCES AGREEMENT SHALL GOVERN THE ADMINISTRATION OF CLAIMS, EXCEPT AS MAY OTHERWISE BE AGREED BETWEEN THE TWO GOVERNMENTS. UNQUOTE.

--- (COMMENT: THE US SIDE AGREED TO ACCEPT THIS GREEK PROPOSAL ONLY AFTER ENSURING THAT THE GREEK SIDE FULLY UNDERSTOOD THAT US HAS NOT RPT NOT ABANDONED ITS POSITION THAT IT COULD NOT DEVIATE FROM NATO SOFA FORMULA. END COMMENT.)

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